

**RESOLUTION of the
VILLAGE OF WESTON
Resolution No. 2018-043**

**A RESOLUTION REGARDING AND AUTHORIZING THE
BORROWING OF \$2,000,000.00 FROM INTERCITY STATE
BANK; PROVIDING FOR THE ISSUANCE OF A
GENERAL OBLIGATION PROMISSORY NOTE
THEREFOR; AND LEAVING A TAX IN CONNECTION
THEREWITH**

(Adopted at a meeting held August 20, 2018)

WHEREAS, the Village of Weston, Marathon County, Wisconsin (hereinafter the "Village"), is presently in need of funds aggregating Two Million and 00/100 Dollars (\$2,000,000.00) for the specific public purpose of providing sufficient funding for lawful municipal purpose of Transmission Line and Facility Relocation/Reconstruction (hereinafter "Borrowing Purpose"); and

WHEREAS, the Village Board of Trustees (hereinafter the "Governing Body") deems it necessary, desirable and in the best interests of the Village that, pursuant to the provisions of Wis. Stat. § 67.12(12), the sum of Two Million and 00/100 Dollars (\$2,000,000.00) be raised by borrowing said funds upon the terms and conditions hereinafter set forth for the purposes above stated.

NOW, THEREFORE, BE IT RESOLVED, that for the purposes herein above set forth, the Village, by its President, Vice-President and Village Clerk, pursuant to Section 67.12(12), Wisconsin Statutes, borrow from Intercity State Bank, Schofield, Wisconsin (hereinafter "Lender"), the aggregate sum of Two Million and 00/100 Dollars (\$2,000,000.00), and, to evidence such indebtedness, said President and Village Clerk are hereby authorized and shall make, execute and deliver to the Lender for and on behalf of the Village an installment note of the Village, in the principal amount of Two Million and 00/100 Dollars (\$2,000,000.00), earning interest at 3.28% per annum, computed daily on the basis of a 360 day year for each day all or any part of the principal hereon shall remain outstanding, with prepayment privileges and evidenced by a note in substantially similar format as attached hereto (hereinafter the "Note"), and payable as follows:

- (a) First Semi-annual installment interest only payment in the amount of \$33,528.89, due on or before February 27, 2019;
- (b) Second Semi-annual installment interest only payment in the amount of \$32,982.22, due on or before August 27, 2019;
- (c) Third Semi-annual installment interest only payment in the amount of \$33,528.89, due on or before February 27, 2020;
- (d) Fourth Semi-annual installment interest only payment in the amount of \$33,164.44, due on or before August 27, 2020;

- (e) Monthly principal and accrued interest installment payments commencing thereafter on September 27, 2020, in the total aggregate amount of \$169,686.11, and made in equal monthly installments thereafter until August 27, 2021; and
- (f) The unpaid principal balance and all accrued interest, along with any other amounts due hereunder on August 27, 2021.
- (g) The estimated final payment is based on the assumption that all payments will be made exactly as scheduled; the actual final payment will be for all principal and accrued interest not yet paid, together with any other unpaid amounts under the Note and this borrowing resolution.

BE IT FURTHER RESOLVED, that the Governing Body hereby finds and determines that the Borrowing Purpose is within the Village's power to undertake and therefore serves a "public purpose" as that term is defined in Wis. Stat. § 67.04(1)(b), and that the Note shall be designated a "General Obligation Promissory Note." The principal of and interest on the Note shall be paid by the Clerk or Treasurer in lawful money of the United States.

BE IT FURTHER RESOLVED, that the Note shall be prepared in typewritten form, executed on behalf of the Village by the manual or facsimile signatures of the President and Clerk, sealed with its official or corporate seal thereof, if any, and delivered to the Lender on or before the closing of the subject loan (hereinafter "Closing"). Likewise, the President and Clerk shall execute, and are hereby authorized to execute, any other documents, including but not limited to certificates contemplated or required under applicable state and federal law, including but not limited to Chapter 67, Wis. Stats., reasonably required by Lender. In the event that either of the officers whose signatures appear on the Note shall cease to be such officers before the delivery of the Note, such signatures shall nevertheless be valid and sufficient for all purposes to the same extent as if they had remained in office until such delivery. The aforesaid officers are hereby authorized to do all acts and execute all documents as may be necessary and convenient for effectuating the anticipated closing.

BE IT FURTHER RESOLVED, that the Note shall be issued in registered form and shall be attached hereto and incorporate by reference herein. The Clerk shall keep records for the registration and for the transfer of the Note. The person or entity in whose name the Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of either principal or interest on the Note shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid. The Note may be transferred by the registered owner thereof by presentation of the Note at the office of the Clerk, duly endorsed for the transfer or accompanied by an assignment duly executed by the registered owner or his legal representative duly authorized in writing. Upon such presentation, the Note shall be transferred by appropriate entry in the registration records and a similar notation, including date of registration, name of new registered owner and signature of the Clerk, shall be made on such Note.

BE IT FURTHER RESOLVED, that the Village is authorized by the provisions of Wis. Stat. § 67.12(12) to borrow money and issue general obligation promissory notes for

such public purposes.

BE IT FURTHER RESOLVED, that there be, and there hereby is, levied on all the taxable property of the Village a direct annual irrepealable tax sufficient in amount to pay the principal and interest on this Note as the same becomes due and payable, and that there is hereby established in the Village's treasury a fund account separate and distinct from every other Village fund or account designated "Debt Service Fund Account for \$2,000,000.00 General Obligation Promissory Note." Such fund shall be maintained in accordance with generally accepted accounting practices. There shall be deposited in said fund account any premium plus accrued interest paid on the Note at the time of delivery to the Lender, all money or funds raised by taxation as may be necessary to pay interest on the Note when the same shall become due and to retire the principal installments on the Note. Said fund account shall be used for the sole purpose of paying the principal of and interest on the Note and shall be maintained for such purpose until such indebtedness is fully paid or otherwise extinguished. Sinking funds established for obligations previously issued by the Village may be considered as separate and distinct accounts within the Debt Service Fund Account

If the tax levy is made after the due date of the installment note or of any payment installment, then the requisite amount shall be paid from other funds of the Village then available, which sums shall be replaced upon the collection of taxes herein levied.

In the event that the Village exercises its prepayment privilege, then no such direct annual tax shall be included on the tax rolls for the prepayments so made and the amount of direct annual tax herein above levied shall be reduced accordingly for the year or years with respect to which said Note was prepaid.

In the years 2018 through 2020 the direct annual tax herein above levied shall be carried onto the tax roll and shall be collected in the same manner and at the same time as other taxes of the Village for such years are collected. So long as any part of the principal of, or interest on, said Note remains unpaid, the proceeds of said tax shall be segregated in a special fund used solely for the payment of the principal of, and interest on the Note.

BE IT FURTHER RESOLVED, that the Note shall be dated the date of its issuance, executed in accordance with the terms of this Resolution and delivered to the Lender as soon as practical hereafter, but not earlier than the date of said Note, upon receipt of the total principal amount of the loan evidenced thereby, plus accrued interest, if any, to date of delivery.

BE IT FURTHER RESOLVED, that the proceeds of said Note (hereinafter "Note Proceeds") shall be used solely for the purposes for which it is issued. The Village shall not take any action with respect to the Note Proceeds which, if such action had been reasonably expected to be taken, or had been deliberately and intentionally taken on the Closing date, would cause the Note to be an "arbitrage bond" within the meaning of Section 103(c)(2) of the Internal Revenue Code of 1954 (hereinafter the "Code"), as amended, or the Regulations of the Commissioner of Internal Revenue (hereinafter the "Regulations"). The Note Proceeds may be temporarily invested until needed in legal investments, provided that no such investment shall be in such a manner as would cause said Note to be an "arbitrage

bond" within the meaning of the Code, as amended, or the Regulations thereunder; and an officer of the Village, charged with the responsibility for issuing the Note, shall certify by issuing, on or before Closing, an appropriate certification of the Village that, on the basis of the facts, estimates and circumstances in existence on the date of the delivery of the Note, it is not expected that the proceeds will be used in a manner that would cause said Note to be an arbitrage bond.

BE IT FURTHER RESOLVED, that the Village hereby further covenants and agrees that it will take all necessary steps and perform all obligations required by the Code and Regulations (whether prior to or subsequent to the issuance of the Note) to assure that the Note is an obligation described in Section 103(a) of the Code, the interest on which is excluded from gross income for federal income tax purposes, throughout its term. The Clerk or other officer of the Village charged with the responsibility of issuing the Note, shall provide appropriate certifications of the Village as of the Closing, for inclusion in the transcript of proceedings, certifying that it can and covenanting that it will comply with the provisions of the Code and Regulations. Further, it is the intent of the Village to take all reasonable and lawful actions to comply with any new tax laws enacted so that the Note will continue to be an obligation described in Section 103(a) of the Code, the interest on which is excluded from gross income for federal income tax purposes. For Note Proceeds allocable to a Borrowing Purpose for new projects or acquisitions, the Village reasonably expects to not qualify for an exception to rebate. The Village hereby designates the Note to be a "qualified tax-exempt obligation" pursuant to the provisions of Section 265(b)(3) of the Code and in support of such designation, the Clerk or other officer of the Village charged with the responsibility for issuing the Note, shall provide appropriate certifications of the Village, all as of the Closing.

BE IT FURTHER RESOLVED, that the proceeds of the Note (the "Note Proceeds") (other than any premium and accrued interest which must be paid at the time of the delivery of the Note into the Debt Service Fund Account created above) shall be deposited into an account separate and distinct from all other funds and be disbursed solely for the purposes for which borrowed or for the payment for the principal of and the interest on the Note.

BE IT FURTHER RESOLVED, that the Village Clerk shall keep records for the registration and for the transfer of the Note. The person or entity in whose name the Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on the Note shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid. The Note may be transferred by the registered owner thereof by representation of the Note at the office of the Village Clerk, duly endorsed for the transfer or accompanied by an assignment duly executed by the registered owner or its legal representative duly authorized in writing. Upon such presentation the Note shall be transferred by appropriate entry in the registration records and a similar notation, including date of registration, name of new registered owner and signature of the Village Clerk, shall be made on such Note.

BE IT FURTHER RESOLVED, that all prior resolutions, rules or other actions of the Village or any parts thereof in conflict with the provisions hereof shall be, and the same are, hereby rescinded insofar as the same may so conflict. In the event that any one or more provisions hereof shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions hereof. The foregoing shall take effect immediately upon adoption and approval in the manner provided by law.

BE IT FURTHER RESOLVED, that the Village officials are hereby authorized and directed, so long as said Note is outstanding, to deliver to the Lender any audit statement or other financial information the Lender may reasonably request and to discuss its affairs and finances with the Lender.

Effective Date: August 20, 2018

VILLAGE OF WESTON, WISCONSIN:

By: Barbara Ermeling
Barbara Ermeling, President

By: Wally Sparks
Wally Sparks, Vice
President

ATTEST:

By: Sherry Weinkauff
Sherry Weinkauff, Clerk